

REGULATORY APPROACH TO FUTURE ELECTRICITY NETWORK PRICE CONTROLS

Findings and Next Steps

March 2026

www.uregni.gov.uk

**Utility
Regulator** 

About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water, and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Millennium House in the centre of Belfast. The Chief Executive and two Executive Directors lead teams in each of the main functional areas in the organisation: CEO Office; Price Controls; Networks and Energy Futures; and Markets and Consumer Protection and Enforcement. The staff team includes economists, engineers, accountants, utility specialists, legal advisors, and administration professionals.

OUR MISSION

To protect the short and long-term interests of consumers of electricity, gas and water.

OUR VISION

To ensure value and sustainability in energy and water.

OUR VALUES

ACCOUNTABLE:

We take ownership of our actions.

TRANSPARENT:

Ensuring trust through openness and honesty.

COLLABORATIVE:

Connecting and working with others for a shared purpose.

DILIGENT:

Working with care and rigour.

RESPECTFUL:

Treating everyone with dignity and fairness.

ABSTRACT

This document summarises the responses to the call for evidence which seeks stakeholder views on the RP7 price control process to allow the Utility Regulator (UR) to inform and design the approach to the development of the next electricity transmission and distribution networks price control for NIE Networks, namely, RP8.

AUDIENCE

This document will be of interest to electricity transmission and distribution companies, electricity suppliers, government departments, energy charities, environmental bodies, and customer groups or organisations which represent customer interests.

CONSUMER IMPACT

The evidence gathered from the responses to the call for evidence will be used to inform our strategic approach to future electricity price controls.

Contents Page

Executive Summary	5
1. Introduction	6
2. Summary of Responses	7
3. Next Steps	13

Executive Summary

Utility Regulator (UR) has conducted a call for evidence to gather stakeholder feedback on the RP7 price control process with the aim of shaping the design of the next electricity transmission and distribution networks price control, namely RP8.

RP7 is the seventh regulatory price control for Northern Ireland Electricity Networks Ltd (NIE Networks), covering the period from April 2025 to March 2031. The final determination was published on 30 October 2024, with the licence modifications effective from 1 April 2025. RP7 provides for £2.23 billion of expenditure to support the delivery of safe, reliable electricity networks and to enable Northern Ireland's energy transition.

The lessons learned consultation sought views on the RP7 process and its commitments, focusing on what worked well and where improvements could be made. The purpose of this exercise was to identify what worked well, areas for improvement, and opportunities to refine future regulatory approaches, in order to inform the development of the next electricity transmission and distribution price control, RP8.

Three responses were received from NIE Networks, the Consumer Council for Northern Ireland (CCNI), and RenewableNI. Generally, respondents considered the RP7 process to have been effective, with strong engagement between UR and stakeholders, clear governance, and a robust framework for business plan assessment. NIE Networks and CCNI highlighted the value of structured engagement, including senior-level interactions and the role of the Consumer Engagement Advisory Panel (CEAP), while also recognising ongoing challenges in directly engaging a broad and diverse consumer base.

Stakeholders also identified opportunities to improve future price control processes, including considering whether timelines could be shortened, strengthening access to specialist expertise, evolving incentive mechanisms, and maintaining a clear focus on consumer outcomes, particularly for vulnerable customers. Respondents also emphasised the importance of delivery credibility, resilience, flexibility, and value for money in the context of uncertainty around demand growth, supply chains, workforce constraints, and the pace of the energy transition.

1. Introduction

- 1.1 RP7 is the seventh regulatory price control for Northern Ireland Electricity Networks Ltd (NIE Networks). The final determination¹ for RP7 was published on 30 October 2024 with the licence modifications² published 4th February 2025. The RP7 price control will run from April 2025 to March 2031. The RP7 price control allows for £2.23 billion of expenditure and will ensure that NIE Networks is able to support Northern Ireland's energy transition.
- 1.2 The lessons learned exercise sought views on the RP7 price control process within the first year of the licence modifications coming into effect. The purpose was to seek stakeholder views on the lessons learnt from RP7 and associated commitments, with a view to shaping a programme of regulatory activities that will support the development of the electricity transmission and distribution networks and inform the UR approach to our next set of price controls.
- 1.3 The RP7 final determination set out a number of actions to be progressed during RP7 and in preparation for RP8. These include items in the main chapters and annexes, as well as wider initiatives beyond RP7's scope (for example, the rollout of smart meters and potential reforms to the socialisation of connection costs).
- 1.4 Three responses were received to the consultation:
 - a) NIE Networks,
 - b) the Consumer Council for Northern Ireland (CCNI) and
 - c) RenewableNI.
- 1.5 We will use this feedback to inform improvements to our approach to price controls and to strengthen future processes.

¹ [RP7 Final Determination | Utility Regulator](#)

² [RP7 Licence Modifications - decision paper | Utility Regulator](#)

2. Summary of Responses

NIE Networks and CCNI

2.1 NIE Networks and CCNI responded to the questions as set out in the call for evidence. These responses have been summarised in the below table.

Questions		NIE Networks response	CCNI response
a	Did you consider that UR internal and external resources involved in the RP7 process were at an appropriate level and had the requisite expertise?	Yes	The Consumer Council expressed no view on whether RP7 resourcing levels were appropriate but highlighted the need for specialist expertise in price controls. It supports the UR using external advice (e.g. cost of capital, pensions, benchmarking) and expects that RP8 may require additional external expertise in areas such as AI and cyber security due to increasing digitalisation.
b	Are there any particular areas which you consider would benefit from further experience in the future along with the nature of the expertise?	No comment	
c	What was your view in relation to the regularity and nature of the engagement with your organisation and with other stakeholders.	Overall, the level of engagement between NIE Networks and the UR throughout the development process of RP7, was very good. This statement is true at all levels of engagement, from the various working teams right up to respective Boards of each organisation. The UR should use the process followed for engagement as a template for future price control development processes.	As a member of the Consumer Engagement Advisory Panel, the Consumer Council was actively involved throughout the RP7 process, supporting the development of consumer measures and the introduction of the Evaluative Performance Framework. While engagement at stakeholder level was effective, direct engagement with consumers remains challenging. The Council supports the use of clear, accessible communications (e.g. infographics and decision summaries) but notes these reach only some consumers. Evidence shows women, lower-income and vulnerable consumers are less likely to engage or understand the energy transition, underlining the importance of the CEAP role.
e	Was there a particular method of engagement which you found most effective?	The 'Board sub-group to Board sub-group' sessions and engagements with the Director of Price Controls on significant issues were particularly helpful and effective in engaging and understanding perspectives on key significant issues.	

Questions		NIE Networks response	CCNI response
d	Do you have any views in relation to the structure and duration of the process, including timeline for key milestones.	The RP7 process timeline worked well in allowing sufficient time for engagement and analysis to deliver a robust final determination. However, the lengthy duration between key stages risks locking in investment plans and cost assumptions too early, often well ahead of delivery. NIE Networks therefore encourages the UR to consider whether the overall timeline could be shortened for future price controls, recognising this may require changes from all parties in the level of detail provided and assessed.	The timeline for RP8 is consistent with that adopted for RP7, so we will make no further comment.
f	Please detail aspects of the RP7 process that worked well and should be continued.	Overall, the RP7 process was very good throughout. Notwithstanding the question we ask on potentially shortening the process timelines, we think the UR should use the process followed for RP7 as a template for future price control development processes.	The Consumer Council values the ability we had to support the determination of consumer measures and targets for RP7 and expects that the CEAP role will continue for RP8. We welcomed NIE Networks' development of an Environmental Action Plan (EAP) and would expect the UR to take account of Ofgem's approach to EAPs for Electricity Distribution Price Control (ED3 - running from April 2028 to March 2033) to ensure that the RP8 approach remains consistent.
g	Please detail elements that you believe could be simplified or streamlined? For instance, what level of page limit would you consider appropriate for the business plan.	The approach adopted at RP7 worked very well, whereby the UR gave high-level guidance with regards to what it expected to see in the submissions made by the company. NIE Networks took full account of this guidance as we developed our submissions; but we also felt we could deviate from the guidance where this was necessary and justified. We feel this worked well for both us and the UR. NIE Networks would advise against imposing page limits on submissions.	Our understanding of the ED3 process currently underway in GB is that Ofgem is specifying a page limit for business plans and highlighting the areas where additional supporting documentation may be required.

Questions	NIE Networks response	CCNI response
<p>h Your views on what you could improve on or what you would change to enhance NIE Networks' performance.</p>	<p>NIE Networks proposed a customer service incentive for RP7 aligned with those used by GB DNOs, but this was not adopted and customer service performance was instead assessed through the EPF. NIE Networks notes that while it is benchmarked against GB DNOs, it does not benefit from comparable incentive rewards. It therefore encourages the UR to consider a broader range of incentive mechanisms in future price controls, as well-designed incentives can drive innovation, service improvement, proactive investment, and better customer outcomes, particularly in customer service.</p>	<p>The introduction of consumer measures in RP7 is welcomed and should be progressively strengthened to further raise standards. The Evaluative Performance Framework (EPF) is also viewed positively, as it promotes improved performance through incentives, stronger stakeholder engagement, and greater accountability and transparency. The EPF challenges and incentivises NIE Networks to deliver better outcomes for customers, and consideration should be given to additional incentive mechanisms to further drive positive customer outcomes.</p>
<p>i Comments on key issues for consideration for RP8.</p>	<p>NIE Networks considers the RP7 price control process to have been effective and successful, resulting in a broadly acceptable final determination that provides a strong foundation for delivering challenging outcomes and supporting Northern Ireland's energy transition. However, it highlights a range of risks that could emerge during RP7, including slower uptake of low-carbon technologies, weaker demand growth, delivery and cost pressures from supply chains, workforce and planning delays, and delays to major transmission projects. These risks could affect investment timing, delivery of outputs, and overall financeability, with implications for RP8.</p>	

Questions		NIE Networks response	CCNI response
		Looking ahead to RP8, NIE Networks encourages the UR to reflect these uncertainties in the design of the next price control. Drawing on Ofgem’s RIIO-ED3 approach, it suggests a stronger focus on outcomes supported by broader and more meaningful incentives, greater flexibility through a totex-based framework, improved mechanisms to manage supply chain and inflation risks, measures to address growing financeability challenges (including WACC and investment recovery), making resilience a core design feature, and reviewing arrangements for approving transmission allowances, potentially through enhanced joint engagement with SONI.	The Consumer Council expects lessons from the Evaluative Performance Framework and performance against consumer measures in RP7 to be reviewed and refined, particularly where targets have not yet been set. For RP8, it is important to maintain and strengthen measures that support vulnerable customers, improve the quality and scope of customer services, and help customers engage in the energy transition, including improved connections for consumers and renewable generation. The Council also expects the UR to take account of outcomes from related consultations (e.g. Guaranteed Standards of Service and Overall Standards of Performance), including impacts on NIE Networks’ operations, consumer bills, the socialisation of connection costs, and allowances for severe weather
j	Any other relevant factors for consideration for RP8 that we should be aware of.	See answer to questions h) and i).	
k	Do you agree with the business plan assessment themes, test areas, and questions?	Yes	The Consumer Council agrees with the business plan assessment themes, test areas and questions, emphasising that, in a context of rising costs and significant change, NIE Networks must clearly demonstrate value for money for consumers, particularly given high levels of fuel poverty in Northern Ireland. It also highlights the importance of high-quality engagement with stakeholders to help consumers understand services and changes over time, and stresses that clear explanations of past performance are essential to assessing the robustness of proposals, including how risks, alternative scenarios and delivery efficiency have been addressed.
l	Do you consider the expectations categories are appropriately defined and balanced?	Yes	The Consumer Council would expect to see both a “good” and “exceptional” plan specifically addressing how best to serve customers and stakeholders.

Questions		NIE Networks response	CCNI response
m	Do you consider the features of each category are correct?	Yes	
n	How might this be done in the future, and what feedback or suggestions do you have?	No comment	We would expect to see strong justification of self-assessment claims, supported by evidence.
o	Do you agree with the list included in table 4.1 and that it captures the full extent of the work to be included in the RP7 period as identified in the final determination?	Yes	The Consumer Council agrees with the three customer measures identified for RP7, including monitoring complaint resolution, developing data and targets for consumer measures, and establishing annual CEAP review and reporting. It stresses that these measures must cover all customer types, particularly vulnerable and digitally excluded consumers, and that targets set in February 2026 should be challenging but realistic. CEAP reporting should be clear, concise and accessible. The Council also expects other RP7 outputs to demonstrate efficient delivery and value for money to avoid adverse impacts on consumer bills, and urges the UR to carefully review IT re-openers to confirm value for money. The RP8 timeline is consistent with RP7, and the Council has no further comment.
p	Would you like to suggest other work that is required to be completed prior to the RP8 price control period?	See answer to question h) and i)	
q	Do you agree with the high-level milestones for the RP8 price control as set out above?	See answer to question d)	
r	Would you like to provide any comments on the proposed timeline?	See answer to question d)	

RenewableNI

- 2.2 RenewableNI welcomes the Utility Regulator's early review of RP7 and supports using lessons learned to inform a more effective RP8. While RP7 recognises the scale of investment needed for the energy transition, experience shows that funding alone does not ensure delivery, with system constraints and structural delays, particularly in transmission, leading to underspends and underutilised allowances. RNI supports the overall RP7 business plan assessment but calls for RP8 to place greater emphasis on delivery credibility, proportionality, and earlier clarity on assumptions to improve stakeholder engagement. Looking ahead, RNI stresses the importance of early engagement, transparent reporting, and clear delivery pathways so that approved investment translates into timely outcomes and consumer benefits.

3. Next Steps

- 3.1 The Utility Regulator appreciates the responses from NIE Networks, CCNI and RenewableNI to the call for evidence. The submissions provide helpful insights into the effectiveness of RP7 and has offered valuable insights to areas which could be refined.
- 3.2 The Utility Regulator will use this feedback to shape the RP8 framework in the following ways:
- a) consider the use of external advisors where appropriate in emerging technical areas and strengthening internal workforce planning to ensure the right blend of regulatory, economic, engineering, digital and consumer expertise.
 - b) retain the successful RP7 engagement model, including senior-level structures and working groups, while ensuring then Consumer Engagement Advisory Panel is also a central part of the process.
 - c) review the timeline and milestones to streamline and potentially shorten key stages where possible and ensure the overall approach remains robust.
 - d) review the business plan process to build on RP7's strengths, while ensuring clearer justification, a stronger consumer focus, and greater adaptability to uncertainty as the energy transition accelerates.
 - e) review incentives to ensure they deliver meaningful performance rewards and penalties.
 - f) incorporate uncertainty mechanisms that enhance flexibility, resilience, and outcome-driven delivery to ensure RP8 is equipped to maintain progress toward Northern Ireland's energy transition goals.
 - g) strengthen consumer measures with challenging, evidence-based targets that reflect the needs of vulnerable and digitally excluded groups while continuing to place emphasis on value for money in assessing business plans.
 - h) maintain the principle-based and flexible business plan structure used in RP7 and introduce clearer documentation expectations or templates without limiting necessary detail.

- i) identify ways to ensure resources are being deployed as efficiently as possible to deliver optimal outcomes for consumers and the electricity system.